

UNCLE SAM'S CALL FOR A SHOW-DOWN

Curley Callister Gets The Chance Of A Lifetime---And When He Has Finished Feasting His Eyes On The Business Secrets Of Every Corporation In Utah And The Contiguous Territory Comprising The District Over Which He Has Supervision As U. S. Internal Revenue Collector, He Passes Them On Up To The Waiting Ones In Washington---After Which They Become Private Property, Under The Ruling Of The Latest Federal Hold-up Order, Known As The Corporation Tax Law.

Dismay stalks rampant in corporation highways and by-ways.

Beside it threatening labor troubles, the high food price agitation, the return from Africa of the elephant slayer and Brother Meakin's failure to land a chaplaincy in the army sink to the levels of negative quantities, while a wall of protest and complaint that sweeps before it like chaff all other city, state and national squabbles, surges country wide from the Golden Gate to Manhattan's skyline over the provisions of the government's Corporation Tax Law which provides that every business, trade and social association, incorporated, stand and deliver to the numerous U. S. Internal Revenue Collectors on or before Tuesday of this week, March 1, the most private and confidential statements of their organization and operation, in the form of reports sworn to by the presidents and treasurers of the incorporated associations.

If corporations, big and little, were as slow elsewhere to grasp the significance of the new law, and from all reports they were, as has been the case in the Internal Revenue District comprised largely of Utah, then the hue and cry has but gained its first weak volume and the roar that will emanate later from those corporations which failed to get their reports in on time and are therefore liable to fines of from \$1,000 to \$5,000 will put some new rents in the halo over "My Policies," which President Taft is trying so awkwardly to keep intact. Locally the fact that heavy fines would be imposed if they failed to report, according to the terms of the new law, seemed to break over incorporated businesses and institutions in a half hearted fashion, until it sprung to life Saturday, Monday and Tuesday last with a vengeance, and sent corporation officials scurrying to Callister's office with the necessary statements. Many have neglected to file their reports, however, though it is just possible here and there among the number will be found a company that estimates a few thousand dollars a small price to pay for the retention of its trade secrets.

Some corporations have asked for an extension of time on the ground of physical inability to complete the necessary work of computation before the date specified. Others have protested against the requirement which will make a public record of the returns and thus put the secrets of their business in the hands of their business rivals. It has been said that the returns will not be made public, but the law does not give the authorities discretion in this matter. It provides that the returns "shall constitute public records" and that they "shall be open to inspection." Naturally there is consternation in some quarters and more or less emotion manifest wherever business is done by corporations.

With Peary lobbying in Washington for an appointment as rear admiral in the United States navy and retirement on full pay for getting to the north pole after twenty years of trying, and Cook across the sea writing a book to prove his claim of discovery after having been branded as a fakir by the Copenhagen scientists, the arctic achievements of both are blended into a fiasco that has cost both explorers the respect of every civilized country. Despised and distrusted at home and abroad, Cook is about as close to being a man without a country today as falls to the lot of rascals or wronged men in many years. The move to make Peary a rear admiral and retire him on a pension of \$6,000 a year received the rebuke it merited at the hands of the committee on naval

affairs in congress last week. Peary for almost twenty years has been on leave of absence from the navy, receiving during all that time the pay of a lieutenant at first and of later years that of a commander. His arctic explorations have been of very little if any direct benefit to the United States government and all his work, including his discovery of the pole, has been more in the nature of personal achievements. For these his lectures and his books, with what is to come in this line in the next few years, have netted him a fortune. It would seem that a twenty years' leave of absence and full pay during the period ought to form a pretty fair contribution by the government to Peary's final success without further favors.

But for the gentleman who does the daily quick change locally from the gum shoes of the "federal bunch" to the office coat of the Internal Revenue Collector, these should be the happy days. Did the company refuse to do the handsome thing last fall in the way of a little campaign contribution at the subtle suggestion of the "bunch" on the ground of a year of fearfully bad business? A casual glance over the sworn report of the business as turned in to Curley by the president and treasurer seems to show a slight discrepancy between its statement of profits and the president's hard luck story of a few months ago, or is it possible the gentleman's memory who attends to these little matters for the Kinkys and Fussies and Curleys is at fault?

It's clover and sunshine for the Utah gum shoe crowd and the machine line up a year or so hence will probably be the envy of the palmiest days of R. Smoot's regime.

Meanwhile, the corporations have been working day and night to get their reports in or filing affidavits of their inability to complete the documents in the time allotted and petitioning for an extension of time. From all parts of the country come demands that the law shall be repealed. There is a little talk in Washington of evading the requirements of the measure through Executive regulation, but this seems to hold out but slim hope. No one is objecting to the tax—the rub comes in the publicity to be given the individual reports, as the law provides in section 6 that the returns shall be filed with the Commissioner of Internal Revenue and become public records "when the assessments shall be made," and in section 5, that the assessments shall be made and the corporations notified "on or before the first day of June of each successive year."

Several suits have been started in the courts to test the constitutionality of the law and the first of these, the Stella P. Flint case, is set for trial March 14, and in the meantime an effort is being made to get congress to pass an amendment extending the time for filing the reports for at least sixty days, so that an opportunity may be had for a decision by the courts before great damage is done.

The case of Stella P. Flint as general guardian of the property of Samuel N. Stone, Jr., against the Stone Tracy Company, of Windsor, Vermont, appealing for protection for her ward against the provisions of the new law, is the leading test case involving the constitutionality of the latter, and its history is of paramount interest just now.

In the little town of Windsor, Vermont, there are two small stores doing business side by side. The people from the country for miles around

drive to Windsor and make their purchases from one or the other of the two establishments. The pedigree of the rival stores is the same. The parent concern was a partnership, known as Tuxbury & Stone, dating from 1869. About fifteen years ago, in the ordinary development of the rural trade, of which Windsor is the market place, Tuxbury & Stone dissolved, or rather resolved itself into the two firms of Stone, Tracy & Co. and Dwight Tuxbury & Sons. The former continued business at the original stand, on the main street of Windsor, at the corner of the lane leading to the railroad station. The latter built and occupied a new store next door. In this juxtaposition, the two establishments have carried on an active competition in the same line of general retail mercantile business, and have divided pretty nearly equally the trade of Windsor and an area of about twenty square miles of country tributary to the town. From cranberries and eggs to wheelbarrows and agricultural implements, each watches the business of the other with acute interest and intelligence, and each strives constantly for every legitimate advantage over its neighbor and rival. The difference between the two concerns has been merely one of formal organization, a factor hitherto unimportant. Dwight Tuxbury & Sons are an old-fashioned partnership. Stone, Tracy & Co. incorporated ten years ago under the laws of Vermont as the Stone-Tracy Company, with a capital of \$20,000. Thus, if the corporation income tax is upheld by the Supreme court, the Stone-Tracy Company will pay a tax on its profits, while the similar concern next door will pay no tax to the federal government. The secrets of the business of the Stone-Tracy Company will become matters of public record, open to inspection by the alert competitor next door, unless the language of the sixth section of the act means nothing. Stella Flint, appealing through her counsel, Maxwell Evarts, for the protection of the property of her minor ward, Samuel N. Stone, informs the court that the consequences of this federal discrimination will be fatal to the little corporation upon which the law forces the burden of a discriminative tax and the disadvantage of publicity as to its private business. The Stone-Tracy Company, she says, will be obliged to dispose of its assets, wind up its affairs and go into voluntary dissolution. So, therefore, Stella Flint, in her capacity of guardian of a minor, whose property is, she alleges, threatened with destruction by Federal enactment, has resorted to the Federal courts in an attempt to restrain the directors of the Stone-Tracy Company from making the return required by the act of August 5, 1909, or from paying the assessment, if any is levied.

MINING AND FINANCIAL

The Engineers' union at Butte, Mont., has done the copper magnates a good turn by mixing in a jurisdictional fight with the Western Federation of Miners and forcing a shutdown of the leading mines. Everything short of absolute calamity that reduces the output of copper these days is welcomed by the producers. The report of February 16 was pleasing to them for many reasons, but chiefly because it exhibited a decrease of a million and a quarter pounds in January from the December total. Just how this reduction was brought about will not be known until more company reports are in and the January statistics